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Gina Harrison
Senior Counsel and Director
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RECEIVED
JUL 18 2000
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

July 18, 2000

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 Twelfth Street, S.W.
Washington, D.C. 20554

ORIGINAL

Re: **Ex Parte Notice:** Local Number Portability,
CC Docket No. 95-116

Dear Ms. Salas:

Only July 17, 2000, Bill Cook and I, from NECA, John Hunter of the United States Telephone Association, Chitra Sharathchandra of the National Telephone Cooperative Association, Stewart Polikoff of the Organization for the Protection and Advancement of Small Telecommunication Companies, and Margot Humphrey of the National Rural Telephone Association met to discuss the attached information regarding local number portability with Josephine Scarlett, Esq., Judith Nitsche, Tariff & Pricing Analysis Branch Chief, Lenworth Smith, Legal Branch Chief, of the Competitive Pricing Division, and Deputy Chief Yog Varma of the Common Carrier Bureau. Copies of attachments 1 and 2 were handed out.

Additionally, Messieurs Cook and Polikoff, Ms. Sharathchandra and I met with Sarah Whitesell, Legal Advisor to Commissioner Tristani on this same topic. Copies of attachment 1 were handed out.

Sincerely,


Gina Harrison

Attachments

No. of Copies rec'd 042
List A B C D E

Cc: Yog Varma, Deputy Chief of the Common Carrier Bureau
Sarah Whitesell, Legal Advisor to Commissioner Tristani
Judith Nitsche, Tariff & Pricing Analysis Branch Chief, CCB
Lenworth Smith, Legal Branch Chief of the Competitive Pricing Division, CCB
Josephine Scarlett, Competitive Pricing Division, CCB

Background

- May 12, 1998, FCC releases its 3rd Report and Order on LNP
- July 29, 1998 NECA files Expedited Petition for Reconsideration
 - NECA notes the lack of a recovery mechanism for LNP costs
- March 19, 1999 Petition for Expedited Interim Waiver
- FCC Meeting dates:
 - 1/13/00 NECA meeting with FCC staff to discuss LNP data request
 - 1/18/00 Letter to TS Pool Members requesting LNP Cost data
 - 3/3/00 Overview of preliminary results from LNP data request provided to FCC
 - 3/22/00 Ex Parte presentation containing results of LNP data request, the data request forms, and sample calculation of Local Switching rate including LNP costs.

Issues from 3/19/1999 Petition

- All Carriers incur costs regardless of whether they provide LNP. For example,
 - All must contribute to the regional Number Portability Administration Centers (NPACs)
 - ROR ILECs are assessed query charges when traffic is terminated in areas with LNP-capable switches when another carrier is performing the database look-up function for them.
- Costs related to LNP must be assigned to Interstate
- For most pool LECs, no cost recovery mechanism exists to recover these LNP costs
 - End User charges only apply after LECs wire centers become LNP capable

Recommendations from Petition

- Recovery mechanism for LECs who are not LNP capable should be competitively neutral.
 - through TS Access rates.
 - the same as it is after five years for those that are LNP capable.

NECA LNP Data Request

- Prepared at FCC request and sent to all TS pool members on 1/18/00
- Identified the following costs from the following categories:
 - Support of LNP Regional Databases (\$386 K)
 - Software upgrades to initiate LNP queries (\$1.9 M)
 - Costs of querying LNP databases (\$1.1 M)

NECA LNP Data Request Results & Recommendations

- 75% of Pooling LECs responded to request
 - Total Annual Costs of \$3.6 M were identified (0.36% of TS Revenue)
 - Equivalent to \$0.0002 per minute of use
- NECA recommends recovery through TS rates
 - 3rd Order: Recovery of LNP costs from end users should be “designed so that end users generally receive the charges only when and where they are reasonably able to begin receiving the direct benefits of local number portability”



80 South Jefferson Road
Whippany, NJ 07981

Regina McNeil
Senior Attorney

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MAR 22 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Voice: 973-884-8168
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March 22, 2000

Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, N.W.
TW-A325
Washington, D.C. 20554

Re: Local Number Portability
CC Docket No. 95-116; CCB/CPD 99-9

Notice of *Ex Parte* Presentation 3/22/2000

Dear Ms. Salas:

On March 22, 2000, the National Exchange Carrier Association, Inc. (NECA) submitted the attached information regarding local number portability (LNP) to the Commission's Competitive Pricing Division (CPD). This information includes the results of a LNP data request, which was the subject of a March 3, 2000 *ex parte* presentation.

Notice of this *ex parte* and the attachments have also been provided to the International Transcription Service (ITS).

Acknowledgment of receipt of this notice of *ex parte* is requested. A duplicate letter is provided for this purpose.

Sincerely,

/s/Regina McNeil

Attachments

CC: Judith Nitsche, CPD
Gene Gold, CPD
Josephine Scarlett, CPD
Lenworth Smith, CPD
ITS

RECOVERY OF LOCAL NUMBER PORTABILITY RELATED COSTS FOR RATE OF RETURN COMPANIES ABSENT A BONA FIDE REQUEST

BACKGROUND

On May 12, 1998, the FCC released its Third Report and Order on Telephone Number Portability addressing cost recovery issues.¹ The Order instructed companies to recover LNP-related costs exclusively through a new, federally tariffed end user charge that would last for five years but only after customers had a choice of local exchange carrier (LEC), *i.e.*, after the incumbent LEC had received a bona fide request for LNP and switches were upgraded to be LNP capable. On July 29, 1998, NECA filed an Expedited Petition for Reconsideration noting that the Order was silent on how incumbent local exchange carriers (ILECs), who do not have bona fide requests for local number portability (LNP), may recover their LNP-related costs.

NECA noted that its members, who have not received bona fide requests for LNP, may still incur LNP-related costs, specifically costs incurred to support the LNP regional databases and query costs paid to larger LECs who provide database query services in instances where the NECA member is an N-1 carrier. These "LNP-related costs" do not include the direct costs associated with providing LNP capability in a switch in response to a bona fide request. NECA recommended that instead of imposing an end user charge, the Commission allow ROR carriers to use current accounting, separations and cost recovery rules for their LNP costs. NECA also noted that these costs would continue beyond the five year period identified in the cost recovery Order and that companies should be permitted to recover costs beyond that period. In its Order the Commission recognized that even the companies providing LNP capability would have some remaining costs after the five year period and that they could "recover any remaining costs through existing mechanisms available for recovery of general costs of providing service."² Thus, the cost recovery method proposed by NECA for non-LNP capable carriers is consistent with the Commission's treatment of similar costs that will be incurred by LNP-capable carriers after the five-year period has expired.

Following discussions with FCC staff, NECA, NRTA, NTCA, OPASTCO, and USTA collectively filed a Petition for Expedited Interim Waiver of the Commission's rules.³ This waiver was requested only to the extent that the rules could be read to prohibit ILECs who are not providing LNP from directly assigning their LNP-related costs to the interstate jurisdiction for recovery via traffic sensitive (TS) interstate access charges. The associations argued that direct assignment of these LNP related costs for recovery via TS access charges provides a reasonable opportunity for non-LNP providing ILECs to

¹ See Telephone Number Portability, CC Docket No. 95-116, *Third Report and Order*, 13 FCC Rcd 11701 (1998) (Third Report and Order).

² See Third Report and Order at ¶ 144.

³ See Joint Petition of NECA, National Rural Telecom Association, Organization for the Promotion and Advancement of Small Telephone Companies, and United States Telephone Association, *Petition for Expedited Interim Waiver* (fil. Mar. 19, 1999).

recover their LNP-related costs, while satisfying the Commission's policy against imposing end user charges on customers who do not receive the direct benefits of LNP. The associations further argued that recovery of LNP-related costs in such a manner is consistent with the Act's requirement that LNP costs be recovered in a "competitively neutral" manner.

In a Notice of Proposed Rulemaking released on June 2, 1999 pertaining to Numbering Resource Optimization, the FCC proposed that rate of return carriers should recover their carrier-specific costs directly related to thousands-block pooling implementation through existing cost recovery mechanisms.⁴ NECA filed comments on July 30, 1999 agreeing with the Commission's recommendation. NECA also noted in its comments that the Commission should clarify that non-LNP capable ILECs could use a similar mechanism to recover their LNP-related costs.

To date, the FCC has not acted on NECA's Petition for Reconsideration or the joint associations' Petition for Expedited Interim Waiver.

LNP-RELATED COSTS INCURRED BY ROR CARRIERS

During the past year, a number of discussions have taken place with FCC staff relating not only to the recovery mechanism for LNP-related costs for ROR carriers who have not received a bona fide request for LNP, but also to the level of costs being incurred by these carriers.⁵

To estimate the costs being incurred by non-LNP capable ROR carriers, the FCC requested that NECA prepare a data request to be sent to its TS pool member companies. NECA reviewed the data request with FCC staff on January 13, 2000 prior to sending it out to pooling companies. Minor edits to the data request were recommended by FCC staff and NECA subsequently sent the request on January 18, 2000 (see Attachment 1). The data request asked companies to identify LNP-related costs absent a bona fide request and identify them by category: 1) costs of supporting the LNP regional databases based on bills received from Lockheed Martin; 2) any switch software upgrades deployed to initiate queries; and 3) costs of querying the LNP databases billed to the N-1 carrier by another entity. Responses to the data request were due back to NECA on February 14, 2000.

⁴ See Numbering Resource Optimization, Connecticut Department of Public Utility Control Petition for Rulemaking to Amend the Commission's Rule Prohibiting Technology-Specific or Service-Specific Area Code Overlays, Massachusetts Department of Telecommunications and Energy Petition for Waiver to Implement a Technology-Specific Overlay in the 508, 617, 781, and 978 Area Codes, California Public Utilities Commission and the People of the State of California Petition for Waiver to Implement a Technology-Specific or Service-Specific Area-Code, CC Docket No. 99-200, RM No. 92-58, NSD File No. L-99-17, and NSD File No. L-99-36, *Notice of Proposed Rulemaking*, 14 FCC Rcd 10322 at ¶ 204 (1999).

⁵ See NECA Notice of *Ex Parte* Presentations (fil. July 14, 1998, Nov. 2, 1998, Mar. 10, 1999, May 12, 1999, June 23, 1999, June 24, 1999, Aug. 12, 1999, Sept. 24, 1999, Oct. 26, 1999, Nov. 2, 1999, Dec. 14, 1999, Jan. 4, 2000, Jan. 14, 2000, Jan. 28, 2000, and Mar. 6, 2000).

RESULTS OF NECA DATA REQUEST

Preliminary results of the data request were reviewed with the FCC staff on March 3, 2000.⁶ During this review it was noted that 75% of the TS pooling companies responded, in some fashion, to the data request. This represents 77% of the total access lines in the TS pool. Using this data, NECA estimated LNP-related costs for its TS pool membership.

Subsequent to the meeting on March 3, 2000, company reported numbers have been finalized.

Costs reported by TS pool companies are broken out into three components:

- Database Administration
 - One-time true-up costs
 - Monthly costs
- Software Upgrade costs to support query initiation
- Costs associated with querying regional databases billed to N-1 carriers by other entities⁷

On average, one-time true-up costs for database administration are \$.07 per line per month or \$118K annually. Ongoing monthly database administration costs are approximately \$.005 per line per month or \$ 386K on an annual basis. (see Exhibit 1)

On average, software upgrade costs reported by companies are approximately \$ 7.2M. This equates to approximately \$1.9M annually amortized over a five year period. (see Exhibit 2)

On average, query charge costs are approximately \$.018 per line per month. This equates to approximately \$ 1.1M annually. (see Exhibit 3)

Total annual costs for TS pool members are estimated at \$ 3.6M. This represents only .36 percent of the total traffic sensitive pool interstate access revenue.

COST RECOVERY CONCERNS

NECA has evaluated the option of imposing end-user charges as a way of recovering on-going LNP-related costs incurred by non-LNP capable carriers. In its Third Report and

⁶ See NECA Notice of *Ex Parte* Presentation (fil. Mar. 6, 2000).

⁷ It should be noted that not all NECA pool members have been billed for query charges. Some query providers have not yet modified their billing systems to accommodate rendering of query bills.

Order, however, the Commission determined that recovery of LNP costs from end users should "be designed so that end users generally receive the charges only when and where they are reasonably able to begin receiving the direct benefits of long term number portability."⁸ The LNP-related costs incurred by NECA TS pool members occur absent bona fide requests for LNP. Therefore, there is no choice of local service provider available to end user customers served by these carriers. Rather, the costs are a direct function of the NECA TS pool members' role as an N-1 carrier, i.e., an end user in a TS pool member's service area originates a call which terminates in another carrier's service area equipped for LNP. Any attempt to recover NECA TS pool members' LNP-related costs from end users would likely result in confusion and customer complaints.

The administration of end user charges to recover LNP-related costs absent bona fide requests would be difficult given that these costs will occur at different points in time for different companies. In addition, the level of LNP-related costs varies significantly by study area. Recovery of these costs through end user rates would present significant administrative difficulties and adverse reactions from consumers as well as additional billing administration costs for carriers.

RECOMMENDATION

A more appropriate mechanism for recovery of these LNP-related costs absent a bona fide request is through the traffic sensitive local switching rate. Based on the estimated annual cost of \$ 3.6M, NECA's local switching rate would only increase from \$.0172 per minute of use to \$.0174 per minute of use, a change of only \$.0002 per minute of use. (see Exhibit 4)

Upon receipt of bona fide requests for LNP by TS pool members, NECA will work with the individual companies to develop study area specific end user charges which would be filed in NECA's FCC Tariff No. 5 for the recovery of LNP costs.

Thus, recovering costs via NECA TS rate would only occur in circumstances where the carrier has not received a bona fide request for LNP.

⁸ See Third Report and Order at ¶ 142.

NECA NATIONAL EXCHANGE CARRIER ASSOCIATION

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January 18, 2000

To: Traffic Sensitive Pool Members

Subject: **FCC Local Number Portability Data Request**

The Local Number Portability (LNP) cost recovery mechanism for rate of return companies that have not received a bona-fide request is under study at the FCC. NECA and other industry organizations support recovery through interstate access charges. Before the FCC will issue a decision on cost recovery, they have asked NECA to provide actual LNP cost data for our members.

The costs of LNP absent a bona-fide request are (a) the costs of supporting the LNP regional databases currently under the administration of Lockheed Martin, (b) the switch software upgrades necessary to initiate the queries and, (c) the costs of querying the LNP databases by the N-1 carrier. The N-1 carrier is the originating carrier in a call that only involves an originating and terminating carrier or the next to last carrier where more than two carriers are involved.

LNP costs are now being incurred. Lockheed Martin issued their first invoices in November 1999, so all companies should have received at least one invoice. Many NECA members have contracted with another telephone company or other third party to provide the query dip service. The number of bills for this service will vary by provider and query volume.

Eastern Region
1-800-228-8398

Midwest Region
1-800-323-4953

Pacific Region
1-800-223-8495

Southern Region
1-800-223-7751

Southwestern Region
1-800-351-9033

Western Region
1-800-892-3322

North Central Region
1-800-228-0180

To accommodate this data collection we have created data entry forms on our website. Instructions are enclosed to help gather the required information. The website will be capable of receiving input as of January 31, 2000. **Please enter all data into the system by February 14, so we can forward a report to the FCC.**

For those companies that have received a bona-fide request for LNP, the FCC has ordered cost recovery through an interstate end user charge. Therefore, it is not necessary to complete the data request. Instead, please contact your NECA regional office, so an interstate end user charge can be developed for your company.

Any questions about this request should be directed to your Region Member Service Manager.

Best regards,



Enclosures

cc: Consultants

Eastern Region
1-800-228-8398

Midwest Region
1-800-323-4953

Pacific Region
1-800-223-8495

Southern Region
1-800-223-7751

Southwestern Region
1-800-351-9033

Western Region
1-800-892-3322

North Central Region
1-800-228-0180

**INSTRUCTIONS FOR COMPLETING
LNP COST DATA REQUEST**
Data entry available January 31, 2000 – February 14, 2000

IMPORTANT: All LNP cost data is to be electronically transmitted to NECA via the NECA Internet web site using the following URL address: <http://NECAINFO.ORG>. Instructions will be provided at the web site when the data entry becomes available on January 31, 2000.

The attached worksheets are copies of the data entry screens for providing LNP cost data. Outlined below are brief descriptions of the requested data fields. If there are any questions in providing data please contact your NECA regional office.

A. Companies that have received a bona fide request

If your company has received a bona fide request for LNP from a CLEC, you are entitled to recover all directly related LNP costs via an end user charge filed in NECA Tariff No. 5. Companies who have received such requests should contact their NECA regional office immediately. NECA will assist these companies in developing the appropriate interstate end user charge. You do not need to complete the rest of the data request. You may use the web site above to contact your regional office or you may contact them directly by phone.

Companies without bona fide requests

Companies who have not yet received a bona fide request for LNP cannot currently recover these LNP-related costs via interstate access or end user charges. The FCC is reviewing cost recovery options and requires the following cost data from each NECA Traffic Sensitive member company before they provide a cost recovery mechanism.

B. Lockheed Martin Charges (or NeuStar, Inc.):

Lockheed Martin, the Regional Database Administrator for all seven regional LNP databases, has issued their first invoices to recover the expenses involved in setting up and administering these databases. The invoice includes two categories of charges: Statements of Work (SOW)* and Local Number Portability Charges. Both the SOW and LNP database charges include monthly amounts and one time true-up charges for prior period expenses. The true-up charges reflect the money spent by Lockheed since September 1997 and not yet billed.

* "Statement of Work" is a term used by Lockheed Martin. The summary page of SOWs lists each SOW by "Invoice Type" (i.e. SOW 1 Rel 1.1). The table to assist in calculating requested numbers abbreviates these invoice types (i.e. SOW 1).

To help determine how to post your data, we have provided the following table and instructions.

- ◆ Subtract the true-up charge from the total bill for each SOW.
- ◆ Total the results of all SOW's true-up charges and the resulting Oct. charges
- ◆ The LNP charges for October will be the total LNP charge minus LNP true-up. These numbers come from page one of the LNP invoice.
- ◆ Total the true-up charges for SOWs and LNP and enter result in the one-time true-up charge (in example: \$3,681.32).
- ◆ Enter sum of all Oct. SOW charges in October "Statement of Work Charge" (in example \$81.45).
- ◆ Enter Oct. charge for LNP (in example: \$167.67).
- ◆ Enter data for additional months if available (only the October bill should have true-up charges).

	SOW 1	SOW 2	SOW 6	SOW 9	SOW 11	SOW 13	Total
Total Bill	\$ 3.66	\$ 2.47	\$ 0.16	\$ 8.53	\$ 6.21	\$ -	
True-up	\$ 3.49	\$ 2.37	\$ 0.15	\$ 7.71	\$ 4.28	\$ 0.01	\$ 18.01
Oct. Charge	\$ 0.17	\$ 0.10	\$ 0.01	\$ 0.82	\$ 1.93	\$ -	\$ 3.03

LNP Total \$ 222.33
 True-up \$ 212.93
 Oct Charge \$ 9.40

For data entry:

one time true-up charge: \$18.01 + \$212.93 = \$230.94

October Statement of Work charge = \$3.03

October LNP Database Charge = \$9.40

C. Software Upgrade Costs

Some NECA TS LECs may have purchased N-1 routing or LNP software from their switch manufacturer to enable them to initiate the LNP queries even if they have not yet received a bona fide request for LNP. In the FCC's Memorandum Opinion and Order Released December 14, 1998, "LECs must distinguish network upgrade costs and the carrier-specific costs directly related to providing long-term number portability. Only the latter are "eligible LNP costs" for the purposes of these federal LNP charges."

Companies that have purchased the appropriate software should enter the LNP portion of cost for that software and any related (e.g. installation, engineering) expenses incurred. It is our understanding that the following are examples of "N-1" routing software required for LNP implementation for each listed manufacturer.

<u>Switch Manufacturer</u>	<u>Switch Type</u>	<u>Generic Release</u>
Lucent	5ESS	5E11
Nortel	DMS10	410.10
Nortel	DMS 100/200	LET 007
Siemens	EWSD	EWSD-14
Siemens	DCO	DCO-20

D. Query Charges

All incumbent LECs are obligated to initiate LNP query charges on calls when they are the N-1 carrier. For each month, please identify the number of queries and the associated charges. Actual data should be used when available and you should check the checkbox to indicate it is actual data. For months where you have not yet received a bill but expect to, including the months between January and June 2000, you should project the queries and charges.¹

Companies that used SWB or Sprint Local to process LNP queries may have initially been over charged for LNP queries that terminated in wire centers that were LNP capable but did not have any ported numbers. After FCC review, both SWB and Sprint Local revised their interstate LNP query tariffs to charge only for queries terminated in wire centers that were LNP capable and have ported numbers within that wire center. Subsequently, SWB and Sprint Local issued refunds of the excess billing. The data entered in this request should reflect only the correctly billed query charges.

Note, in some cases you may have received bills by wire center and you will need to sum up all our your queries and charges by month before reporting the amounts into the LNP system.

Vendor: Please enter the name of the entity performing your query dip service. If more than one applies, select all that applies.

E. Access Lines

Recovery of LNP costs are based on charges per access lines as defined in Commission Rules §52.33(a). These rules prescribe different rates for PBX trunks, PRI-ISDN lines and Lifeline Assistance Program customer and other access lines. While the FCC has not yet decided how Rate-of-Return companies will apply LNP charges in areas where they do not have a bona fide request, most likely the same types of rate prescription will apply. Please enter your Study Areas access lines as listed below as of October 1999.

- a. Quantity of PBX Trunks
- b. Quantity of PRI-ISDN Lines
- c. Quantity of Lifeline Assistance Program Access Lines
- d. Other Access lines that are billed a Subscriber Line Charge and not included in a, b and c.

When all data has been entered, click on the 'Submit' button.

Thank you. We realize the amount of work involved with this data request but hopefully we hope it will result in a favorable FCC cost recovery order for rate of return carriers who have not yet received bona fide requests for LNP.

¹ Actual data should be provided whenever possible. The Commission policy on projected LNP costs is uncertain.



LNP Data Request

THIS IS AN ILLUSTRATIVE SAMPLE.

DO NOT ENTER DATA ON THIS FORM. Data Should Only Be Entered Online, Between January 31, 2000 And February 14, 2000. See The Attached Instructions Document For Details.

The purpose of this data request is to determine LNP-related costs incurred by NECA Traffic Sensitive Pooling companies that have not yet received a bonafide request for LNP. Enter the data on the form below and then click on the SUBMIT button at the bottom of the page. All data must be entered by February 14, 2000.

Study Area Code: 123456

Study Area Name: *ABC TELEPHONE*

- A. If you have already received a bona fide request for LNP, please contact your regional NECA office immediately (use the form below or call your regular number) so that we can work with you to develop an Interstate LNP end-user charge, to be filed in Tariff No. 5. If you have not as yet received a bona fide request, please complete the data request below.

[Click here to see definition of a bona-fide request.](#)

[Click here to contact your Regional NECA Office.](#)

- B. Every company should have already received a bill from Lockheed Martin, the Regional Database Administrator. Please indicate your Regional Database Administration Charges:

The one-time True-Up charge: _____

MONTH	Statement of Work Charge	LNP Database Charge
October 1999	_____	_____
November 1999	_____	_____
December 1999	_____	_____

- | <u>Expense Category</u> | <u>Amount</u> |
|-------------------------|---------------|
| Software | |
| Engineering | |
| Installation | |
| Other | |
| TOTAL | |

[illegible]

- D. Query Charges:** If you have received LNP query charge bills, indicate the total number of calls that were billed, and the total query charges incurred, by month, for your study area. Please provide estimated data for months in which actual data is not available. Check the box in the last column if your entries are based on actual data rather than on estimates. For estimated data, provide a brief explanation, in the Comments box, of the methodology used to estimate demand. To the extent that you were incorrectly billed query charges (by Southwestern Bell and Sprint Local telephone companies) for calls terminating in areas without ported numbers, and were subsequently issued refunds, please provide only those calls and charges that terminated in LNP capable switches with ported numbers.

Choose the name of the vendor(s) providing your query services. If you use more than one vendor, hold down the "Ctrl" key while clicking on the name of each vendor that you use:

Ameritech	<input type="checkbox"/>
Bell Atlantic North	<input type="checkbox"/>
Bell Atlantic South	<input type="checkbox"/>

Comments
(Optional):

E. Access Lines: Enter your study area access lines, as of October 1999, for the respective categories:

	<u>Access Line Category</u>	<u>Number of Lines</u>
1.	PBX Trunks	<input type="text"/>
2.	Primary ISDN	<input type="text"/>
3.	Lifeline Assistance Program	<input type="text"/>
4.	Other Access Lines*	<input type="text"/>

* Lines that are billed a Subscriber Line Charge, but are not included in Categories 1 through 3 above.

Comments
(Optional):

Start

Cancel

NECA © 1999-2000

Last Revised:

NECA LNP COST RECOVERY**EXHIBIT 1 of 4****Regional Database Administration: True-Up Charge**

1	Charges Reported in Data Request	\$311,214
2	Access Lines Represented in Line 1	4,289,100
3	True-Up Charge Per Line: (= Line1 / Line2)	\$0.07
4	Pool Lines	5,961,703
5	Pool Amount (= (Line4/Line2) * Line1)	\$432,576
6	Annual Revenue Requirement	\$117,779
	(for 5 years, using a discount factor of 11.25%)	

Regional Database Administration: Monthly Charges**(Statement of Work plus LNP Database Charge)**

7	Charges Reported in Data Request	\$59,048
8	Access Lines Represented in Line 1	3,653,270
9	Charge Per Line Per Month	\$0.0054
10	Pool Lines	5,961,703
11	Pool Amount: Annual (= Line10*Line9*12)	\$386,318

NECA LNP COST RECOVERY**EXHIBIT 2 of 4****Total Software Upgrade Investments**

1	Investments Reported in Data Request	\$7,153,157
2	Access Lines Represented in Line 1	1,471,408
3	Investments Per Line (=Line 1/ Line 2)	\$4.86
4	Annual Revenue Requirement (for 5 years, using a discount factor of 11.25%)	\$1,947,618

NECA LNP COST RECOVERY**EXHIBIT 3 of 4****LNP Query Costs**

1	Responding Lines in Billed States	3,285,492
2	Data Request Query Charges - Billed States	\$269,585
3	Data Request Annual Query Charges - Billed States* (=(Line2 / 3.6)*12)	\$703,265
4	Pool Lines in Unbilled States	1,864,480
5	Pool Annual Query Charges - Unbilled States (=(Line5 / Line1)*Line3)	\$399,103
6	Pool Annual Query Charges: Total (= Ln3 + Ln5)	\$1,102,368
7	Monthly Query Cost per Line (= Ln6/(Ln4+Ln1)/12)	\$0.017838

* On the average, companies reported 3.6 months of query charges in the data request

NECA LNP COST RECOVERY

EXHIBIT 4 of 4

IMPACT ON LOCAL SWITCHING RATE

1	Test Period (1999-2000) Revenue Requirement	\$289,085,520
2	Chargeable Local Switching MOU	16,855,451,029
3	Current Uniform LS Rate	\$0.0172
4	LNP Cost Recovery RRQ (= Ex1,Ln6 + Ex1, Ln11 + Ex2,Ln4 + Ex3,Ln7)	\$3,554,084
5	Adjusted RRQ (Line 1 + Line 4)	\$292,639,604
6	New Uniform LS Rate (Line 5 / Line 2)	\$0.0174
7	Change in Uniform LS Rate (Line 6 - Line 3)	\$0.0002